



People caring for people

Submission to the Productivity Commission Inquiry into Mental Health

June 2019

SUBMISSION BY RAMSAY HEALTH CARE

1.0 EXECUTIVE SUMMARY

Ramsay Health Care (Ramsay) appreciates the opportunity to provide this submission to the Federal Government's Productivity Commission Inquiry (Inquiry) into mental health.

In developing this submission, Ramsay draws on its 55 years of experience in the delivery of mental health both in Australia and in France, and across both private and public settings. Ramsay is the largest provider of private acute mental health services in Australia and the leading independent provider of public acute mental health services in France.

This Inquiry could not have come sooner. While Australia has made progress in caring for mental health patients, a number of challenges remain namely:

- The number of patients with a diagnosed mental health condition is growing. One in five Australians will experience a mental health condition this year. Approximately 11.5% will have at least one diagnosed mental health condition and 8.5% will have two mental health diagnoses.
- There were more than 3100 deaths from suicide in 2017.
- People with mental illness have a lower average life expectancy than the general population, with significant comorbidity issues. Specifically, eating disorders have one of the highest mortality rates of any psychiatric illness and the number of presentations is growing
- There are sizeable gaps in services and supports for specific demographics, including youth, elderly, Indigenous Australians, individuals from culturally diverse backgrounds and carers of people with a mental illness
- A lack of continuity of care exists across the mental health continuum and for those with episodic conditions, who may need access to services on an irregular, or non-continuous basis;
- Delayed access to existing services is growing rapidly. Ninety percent of patients are not seen in an acute care facility and are not able to access care that provides a structured program to assist the management of the condition.

Australia is not alone in dealing with rising mental health issues. Recent years have seen mental health rise significantly up global and European health policy agendas. Despite growing policy attention, as well as advances in recognition and treatment, there are concerns that the situation in some parts of Europe is getting worse due to the rapid economic and social changes happening in this region. Not surprisingly, the economic costs of mental health problems are very high, conservatively estimated as amounting to between 3 and 4 per cent of gross national product (GNP) for the former EU-15 (Gabriel and Liimatainen 2000). The costs are also widely spread, and indeed the largest economic impacts usually arise outside the health sector.

At an operational level, there are a number of challenges for providers of mental health services including a lack of psychiatrists and trained mental health nurses (particularly in rural and regional areas). There is a maldistribution of Federally funded resources, with MBS items being concentrated on the location of the provider (inner-metro areas mainly), so that there is a major shortfall in meeting the clinical needs of outer-metro, rural and regional patients. There is also a funding crisis, with public mental health systems well over-budget, as well as affordability issues for privately insured patients. Specialist mental health accounts for less than 4% of private health insurance benefit outlays yet there has been a focus by the health funds on constraining expenditure as well as attempts to restrain growth in private inpatient and day patient mental health services and claims.

Ramsay agrees with the Royal Australian and New Zealand College of Psychiatrists (RANZCP) that this Inquiry is a “*once-in-a-generation opportunity to critically evaluate and influence definitive reform of the mental health sector*”¹. The system requires a total redesign and throwing more money at the various arms of an already dysfunctional system, will not lead to better outcomes. We also agree with the various submissions already provided to the Commission, that changes to mental health funding arrangements are required, such that the Commonwealth assumes responsibility for funding all ambulatory mental health services and the design of their delivery systems and governance arrangements.

This submission focuses on an increased role of the private health sector in delivering both public and private mental health services. Private operators are not adverse to change and have demonstrated to be adaptable and innovative in providing community-based, outreach and hospital in the home services. The private sector is outcomes-focused and can deliver evidence-based care within a solid framework of good clinical governance, safety and quality. Importantly, the private sector can deliver solutions quickly and effectively with the capital, resources and infrastructure to deliver the right services in the right place at the right time.

Internationally, there are many examples of where the private sector plays a major role in the delivery of mental health services for publicly funded patients. In the UK, inpatient, ambulatory and community based mental health care is delivered largely by the private sector. A mixed service provision of public and private providers in mental health delivery exists across most of Europe including France and Sweden where Ramsay Health Care operates many different mental health services including inpatient, ambulatory and community mental health services delivering services to publicly funded patients.

Ramsay Health Care believes that innovation and more cost-efficient care delivery could be achieved if Australia looked to the population-health funding models being deployed in Sweden and other parts of Europe. Under these models, a provider (public/private or NGO) tenders to provide care (mental health care for example) for a regional population and must manage the funding accordingly. Financial incentives can be a powerful tool to improve the flow of funds within the system and to create incentives to lower costs, improve outcomes and drive innovation.

2.0 RECOMMENDATIONS

Within this submission, Ramsay recommends that the Commission consider the following:

- 1.0 Increase the participation of the private healthcare sector in the provision of public mental health services (as occurs in Europe) across the continuum of inpatient, ambulatory and community-based services.**
- 2.0 Investigate improved models of funding public mental health service delivery that are aligned with improved performance and outcomes and drive innovation. For example, a provider (public, private or NGO or consortia) could tender to provide mental health care for a region and this care would include inpatient, ambulatory and community-based care, reporting against measureable outcomes and delivering real and innovative solutions for communities.**
- 3.0 Ensure any future mental health funding framework has safeguards to protect insurance coverage for mental health problems and whether there are additional funding mechanisms for people to access private mental health care, for example the disability support pension, accident and income protection insurance.**
- 4.0 Develop a workforce plan to address the chronic shortage and maldistribution of mental health workers including increase the attractiveness of psychiatry as a profession for medical trainees through addressing the shortfalls of the Medicare rebate for psychiatry and investigating models to upskill GPs in specific mental health areas such as addiction services (as in France).**

3.0 INCREASING PRIVATE PROVISION OF PUBLIC MENTAL HEALTH CARE DELIVERY

There is a large and growing proportion of patients with mental health conditions of public health significance including:

- At-risk youths
- Elderly
- Veterans and ADF personnel
- People living in remote regions
- Indigenous population
- People living with severe mental illness

In order to better address these gaps and limitations in the current mental health models of care, more public/private engagement initiatives need to transpire. This will assist to optimise and fast track the delivery of mental health services delivery nationally.

By working with the private sector, resources from private mental health providers can be harnessed to further the goals of the Productivity Commission. A 'multi-faceted strategic approach' that is efficient, efficacious, practical and sustainable can be achieved for improving the quality of mental health treatment provision nationally.

Key benefits of this approach would include:

- Coordinated and collaborative engagement in the development, implementation and evaluation strategies for improving the quality of service provisions along the full continuum of the patient journey.
- Adaptation and dissemination of evidence-informed treatments along with feasible mechanisms for ensuring and monitoring service quality.
- Integrated service delivery and shared care for our most vulnerable populations.

3.1 Acute/Inpatient Mental Health Care

As the largest provider of mental health and emergency care, public hospitals, rightly, give priority to the treatment of disorders that are lower in prevalence, -and that put patients at immediate risk to themselves or others. As a consequence, psychiatric wards in public hospitals are frequently unable to meet demand for the inpatient mental health care of higher prevalence but less critical disorders, and services are frequently stretched to capacity.

Delayed access to existing services is growing rapidly. Ninety percent of patients are not seen in an acute care facility and are not able to access care that provides a structured program to assist the management of the condition. In 2016-17, only 38 per cent of the 276,954 people who presented at public hospital emergency departments across Australia seeking care for mental health related illnesses were admitted or referred elsewhere.¹

¹ Australian Institute of Health and Welfare, Mental health services: In brief 2018, p.8, available at: <https://www.aihw.gov.au/getmedia/0e102c2f-694b-4949-84fb-e5db1c941a58/aihw-hse-211.pdf.aspx?inline=true> [accessed 5 July 2019).

Conversely, in 2016/2017 there were 258,302 overnight admissions for a mental health disorder, with 52,039 of these in - private psychiatric -hospitals. Of the admissions, –to the public system schizophrenic disorders were responsible for 1 in 5 admissions compared to 1 in 40 admissions in the private sector. In the private sector, depressive disorders were responsible for 1 in 4 admissions. It should be noted that private hospitals also deal with severe biological depressive disorders, which are low prevalence, and require intensive biological treatments such as electroconvulsive therapy (ECT). Proportionally, private hospitals provide more ECT and other neurostimulation treatments than the public sector.

Ambulatory care (treatment provided to a patient who is not an overnight inpatient) is also recognised as a crucial component of hospital-based mental health care. Ambulatory care can consist of a wide variety of specialist treatment therapies and programs delivered by multidisciplinary teams. It is an effective treatment option for patients with moderate to severe mental health conditions who do not require 24-hour inpatient care.²

Private Healthcare Australia reports that clinicians often note that hospital admission frequently assisted the recovery process by helping patients to recognise their own condition as a genuine sickness.³ The Australian Institute of Health and Welfare reports that 72.5% of completed hospital stays in 2015-16 claim significant improvement in the admitted person's mental health.⁴

Public hospitals are not adequately resourced to treat or refer the majority of patients who present to them with mental health illnesses, and private hospitals are treating only a very small number of the most serious cases. There are sizeable gaps in services and supports for specific demographics, including youth, elderly, Indigenous Australians, individuals from culturally diverse backgrounds and carers of people with a mental illness.

The dedicated specialist knowledge about the treatment of higher prevalence mood and anxiety illnesses is often less developed in public sector hospitals. Patients with higher prevalence mental health disorders are significantly more likely to seek the treatment they require, and treatment should be far more cooperative. Public hospitals are simply not equipped to manage non-psychotic, medium to higher prevalence disorders on an in-patient basis. Consequently, these conditions are the most common diagnoses in private psychiatric hospitals, without which these patients would have no public hospital-based treatment options.⁵

There is significant scope for private hospitals to provide access to mental health services to a far greater number of patients with severe, lower prevalence mental illnesses. In turn, this would alleviate the strain on public sector hospitals, allowing them to also provide better and more services (including community-based care) to the larger number of patients with high prevalence, less severe mental illnesses.

² Australian Private Hospitals Association, Improved Models of Care – Mental Health, 25 September 2018, p. 10.

³ Private Healthcare Australia, Submission to the Productivity Commission Inquiry into Mental Health, 5 April 2019, p.17.

⁴ Australian Institute of Health and Welfare, Mental Health Services – in Brief 2018, 11 October 2018, p.32.

⁵ Australian Private Hospitals Association, Improved Models of Care – Mental Health, 25 September 2018, p. 4.

3.2 Ambulatory Mental Health Care

While a period of hospitalisation may be necessary to stabilise a patient, there is a universal concern among clinicians about the lack of a graded, coordinated path for access to the mental health care system, with the result being that individuals do not always receive the appropriate treatment. Significant support exists among clinicians for a better mix of inpatient, ambulatory and community care.

The failure to provide the right clinician, setting and treatment at the appropriate time is resulting in patients ending up in emergency departments because the appropriate treatment modalities (that in many cases should precede hospitalisation) are not clear or accessible. As stated previously, the system is fragmented, hence complex and difficult to navigate, without clearly defined access points.

A “stepped” mental health care system would retain the value of hospital admissions where clinical indicators support them, provide more appropriate treatment paths where necessary, thereby reducing pressure on already strained hospitals. It would also increase patient choice and empowerment in the treatment of their illness.

Community-based care can supplement hospital admissions by providing acute treatment and hospital-in-the-home type services in the patient’s home or similar community-based setting, instead of via admission to overburdened emergency departments. It also has potential to minimise social isolation commonly associated with inpatient care and can better facilitate the reintegration of patients within the community.

Continued clinical oversight and ease of navigation is a key to a successful, patient-focussed mental health system, and the private sector can form a part of the solution in delivering this.

Patients may alternate between services or progress from one modality to another in accordance with their treatment. These may be delivered by a mixture of private and public sector providers. The discontinuity in the patient “journey”, with communication and liaison gaps between various sectors in the fragmented system, makes it extremely difficult for providers to access important patient information.⁶ This lack of continuity of care exists across the mental health continuum and for those with episodic conditions, who may need access to services on an irregular, or non-continuous basis.

Other crucial services catered for by community-based or ambulatory specialist care therefore include services such as case management, as part of a multidisciplinary approach. This provides regular contact for those with severe and chronic illnesses, that aims to reduce relapses and support those not acute care but at risk of deterioration if they do not receive specialist ongoing support. This would underpin a truly integrated mental health system.

⁶ Private Mental Health Consumer Carer Network, Submission to the Productivity Commission Inquiry into Mental Health, 27 March 2019, p.13.

Considering the divide that public sector inpatient services tend to focus on low-prevalence, severe and acute mental illness, many patients are left with little alternative but to try to seek treatment from private providers via private psychiatrist referral.⁷

In addition to expanding inpatient treatments currently provided by private hospitals, clearly there is significant scope for the private health sector to help establish a clearer, graded, joined up treatment pathway and increase its share of community-based, outreach and ambulatory treatment provision for mental illness.

However, less than 4 per cent of private health insurance payments constitute mental health specialist overlays, such as psychologists. The application of specialist and ambulatory expertise is currently restricted by the nature of funding arrangements.⁸ This is another crucial element of necessary reform.

3.3 Community-based mental health care

There is a tension between the use of community providers for mental health services and the broader health system. Community mental health (NGO) providers are strained, not easily located, mapped nor assessed. They are often delivered by a multitude of providers and programs and outcomes are not easily measured or scalable. Clinical governance- and mental health literacy is often lacking in these organisations. Importantly, community services are often opaque to consumers, who have to locate their own services. There is limited, if any available public data on accessibility, program offering, efficacy or costs. The purchasing of mental health services across the sector is a maze, with health services, private providers and central agencies all purchasing services^{9,10}.

Residential treatment for alcohol and other drugs, where people in acute need are asked to locate their own service often rely on twelve steps modalities and are residential in nature, with limited assessment of their completion rates or longer-term success¹¹.

The private sector provides a number of services which can easily be mapped and accessed. Much of these can be accessed through private health insurance, are evidence based, build life skills and deliver a continuity of care which gives patients the best chance of a full and successful life. The interface of these programs with the public system needs further exploration.

The private sector has the agility, clinical expertise, capital and experience to invest to meet growing demand in mental health facilities, which the State will be unable to do in the immediate future.

Acute day hospitals are a means of providing intensive psychiatric care without the high overheads and restriction on liberty that are associated with inpatient care. Moreover,

⁷ Australian Private Hospitals Association, Improved Models of Care – Mental Health, p. 14.

⁸ Ibid.

⁹ VAGO, Access to Mental Health Services, available at: <https://www.audit.vic.gov.au/report/access-mental-health-services?section=33104--audit-overview>, [accessed 24 June 2019].

¹⁰ The Age, Nothing between GP and Emergency, available at: <https://www.theage.com.au/politics/victoria/nothing-between-gp-and-emergency-victoria-s-mental-health-failure-20190227-p510ip.html>, [accessed 24 June 2019].

¹¹ The Conversation, Drug rehab and group therapy: do they work? Available at: <https://theconversation.com/drug-rehab-and-group-therapy-do-they-work-65413>, [accessed 26 June 2019].

assertive community treatment when used to divert patients from hospital, can achieve a 55 per cent reduction in admissions compared with 23 per cent achieved by day hospitals. From an economic point of view, community care produces savings of up to 65 per cent.

3.4 Private provision of public mental health services – International Examples

Private providers are a significant part of the provision of public mental health services particularly in Europe and the United Kingdom as outlined below:

- The Priory Group is a private operator that runs a range of public mental health and social services in the UK and provides beds for National Health Service patients in 87 of its hospitals, including for addiction, eating disorders and other higher prevalence mental health issues.
- In France, the delivery of mental healthcare for adults is organised within regions of equal population based around a central coordinating hospital. These areas account for approximately 40% of psychiatric hospitals and 80% of psychiatric beds. The remaining 70% is delivered by the private sector which thus plays an important role in the delivery of public inpatient mental health services in that country. Some of these services include specific Addiction Clinics with GPs who have received a two year training course in addiction services.
- In Sweden, mental health services may also be delivered by the private sector. These services deliver inpatient, ambulatory and community-based psychiatric services. In the last few years, Sweden has moved towards population-based funding models and organisations (private, public or NGO) tender to provide care for a region or county. Under this model, organisations are incentivised to keep people out of hospital, which drives innovation in digital and community-based care initiatives.

Recommendation 1.0:

Increase the participation of the private healthcare sector in the provision of public mental health services (as occurs in Europe) across the continuum of inpatient, ambulatory and community-based services.

4.0 CHANGE FUNDING MODELS TO DRIVE IMPROVED OUTCOMES, COST EFFICIENCY AND INNOVATION

While there have been dramatic changes to many systems of mental health care over recent decades, with most western countries moving from an era dominated by the old asylums to one that is much more proactively focused on community-based support arrangements, funding mechanisms have been slower to change. Various countries use different models of funding include DRG based funding.

Latest funding models in healthcare are moving to population-based funding schemes where providers tender to provide the healthcare services for a general or specific population. Where information is available on the level of psychiatric need within an area/region, this can be used to allocate resources more equitably from central to local

level. Local purchasers or service providers would then receive a share of the national health budget, based not only on the age and gender composition of their local populations but also on the basis of mental health need. With regular surveys, particular areas of concern might be addressed and budgets adjusted to reflect the changes.

In Sweden, the private healthcare sector can tender to operate psychiatric inpatient, ambulatory and community services on behalf of their counties/regions. The funding mechanisms include a capped and fee for service portion but encourages the organisations delivering these services to keep people the people they are managing in their region in the community and to prevent readmission. These population health funding models encourage innovation in terms of digital and telemedicine deliveries for example.

Example populations where population health funding trials could be targeted could include those with indigenous mental health concerns, high youth suicide rates and high rates of eating disorders. Ramsay Health Care would be willing to look at trials on behalf of the Commonwealth in the following locations in which have services, we operate and we are familiar with the mental health challenges:

- Mildura (Ramsay already provides the public and Commonwealth services, Headspace)
- Joondalup (already providing public inpatient services)
- Shepparton (provide private psychiatric services)
- Cairns (provide private psychiatric services)

Evidence on cost-effectiveness can support the case for investment in mental health across many sectors of society; benefits from greater investment could include reduced reliance on social welfare payments, increased productivity, reduced contact with the criminal justice system and improved family and community cohesion. However, this should not be interpreted as meaning that cost savings must be found before there can be investment in mental health. Many cost-effective interventions are also cost *increasing*, so reformers should not need to be defensive about requiring increased levels of expenditure for better outcomes.

Recommendation 2.0

Investigate improved models of funding public mental health service delivery that are aligned with improved performance and outcomes and drive innovation. For example, a provider (public, private or NGO or consortia) could tender to provide mental health care for a region and this care would include inpatient, ambulatory and community-based care, reporting against measureable outcomes and delivering real and innovative solutions for communities.

5.0 PRIVATE HEALTH INSURANCE FOR MENTAL HEALTH CARE

With the growing burden of mental health in the community, private acute mental health services are bearing the strain of increased rates of depression, anxiety, alcohol and drug abuse and eating disorders. The need for these services is growing, not diminishing and,

with public emergency departments feeling the strain of increasing mental health presentations, the role of private health cover in mental health care must be recognized. Unfortunately, comprehensive private health cover for mental health is normally only offered by expensive top cover policies.

A centrepiece of the recent health insurance reforms has been improving access to mental health services. Patients can now upgrade their cover to a policy that covers mental illness without a waiting period once in their lifetime and only have to hold health insurance for at least two months. Limits on the number of specific treatments such as day programs and ECT were abolished. These are important new measures for patients that we have definitely seen help consumers.

However, the reforms do not address the ongoing problem of high costs for top cover policies which may be hard for people to afford when they are suffering from mental illness. With the introduction of the recent gold/silver/bronze/basic categorisation mental health will be offered in all tiers – it is a minimum requirement of the product tier. However the clinical category may only be offered on a restricted cover basis in Basic, Bronze and Silver product tiers only. Ensuring that mental health remains mandatory as part of all policy levels is vital.

A balanced public/private mental health system is absolutely vital otherwise the overburdened public sector would be inundated further.

Recommendation 3.0

Ensure any future mental health funding framework has safeguards to protect insurance coverage for mental health problems and whether there are additional funding mechanisms for people to access private mental health care, for example the disability support pension, accident and income protection insurance.

5.0 A WORKFORCE PLAN FOR THE FUTURE

The current shortages of skilled staff in many countries including Australia, and the future likelihood of further short- or long-term difficulties in recruiting appropriate mental health workers represents one of our greatest challenges.

New training initiatives as well as alternatives to face-to-face treatment such as online psychotherapies that can reduce demand on psychologists, nurses and psychiatrists, must be encouraged to overcome these challenges. Alternative funding of psychiatry such as remuneration reflecting a team approach may also reduce the need for face-to-face visits.

In terms of the primary care setting, Australia should look to models like France where GPs can receive further upskilling in mental health that is recognised and paid accordingly. For example, in France, GPs have the opportunity to study addiction therapy for two years and can then be employed in addiction clinics.

Recommendation 4.0

Develop a workforce plan to address the chronic shortage and maldistribution of mental health workers including increase the attractiveness of psychiatry as a profession for medical trainees through addressing the shortfalls of the Medicare rebate for psychiatry and investigating models to upskill GPs in specific mental health areas such as addiction services (as in France).

APPENDIX Ramsay Health Care's role in mental health delivery

Australia

For over 50 years, Ramsay has been a leader in the provision of mental health services across Australia, providing a range of services to many thousands of Australian's every year. Our evidenced-based mental health programs, delivered in both day and inpatient care settings, cater for a wide range of needs, including depression & anxiety, eating disorders, addictions and mood disorders.

In Australia, Ramsay Health Care operates 72 hospitals with circa 25,000 beds, treats over 1 million patients each year and employs over 30,000 staff. Ramsay is the largest provider of private acute psychiatric services with 23 facilities admitting circa 70,000 patients each year located in five states within Australia in both cities and regional rural areas. Patients using these services have conditions of significant complexity, severity and chronicity (mainly being moderately-severely affected people with high prevalence disorders, and those with mood, personality and substance use disorders).

Table 1 – Ramsay's mental health services in Australia

No. of facilities	23
No. of beds	984
No of psychiatrists accredited	459
Most common mental health disorders treated	<ul style="list-style-type: none">• Mood disorders;• Anxiety disorders;• Addictions;• Eating disorders;• Post traumatic Stress Disorder; and• Psychosis
Type of services offered	<ul style="list-style-type: none">• CBT, DBT• Psychopharmacotherapy• Electroconvulsive therapy (ECT)• TMS• Group psychotherapy.

Rural & Regional Footprint

Ramsay operates a wide network of rural and regional hospitals located from Cairns to Perth many of which offer mental health services including Cairns, Rockhampton, Albury, Coffs Harbour, Newcastle, Gold Coast, Caloundra, Orange, and Shepparton, giving the Company a unique understanding of challenges of delivery of mental health services in rural and regional Australia.

Public mental health services

In addition to its comprehensive range of private hospitals with mental health services, Ramsay Health Care also operates five public facilities in Australia on behalf of state governments, two of which have extensive public mental health services – Joondalup in Western Australia and Mildura in Victoria.

- Joondalup Health Campus is a 600+ bed comprehensive teaching hospital which operates one of the busiest emergency centres in the country seeing over 110,000 presentations per annum. The hospital runs a 47 bed mental health unit with a 10 bed mental health observation unit in the emergency department.
- Mildura Base Hospital has a 12 bed inpatient facility as well as community mental health service. Ramsay also operates the local Headspace on behalf of the local PHN, which sees 600 young people each year.

Programs & Outcomes

For over 50 years, Ramsay Health Care has been a leader in the provision of mental health services across Australia, providing a range of services to many thousands of Australian's every year. Our evidenced-based mental health programs (both day and inpatient) cater for a wide range of needs, including depression & anxiety, eating disorders, mood disorders, women's trauma, addictions amongst others

Ramsay Health Care has extensive experience in the provision of community outreach programs (in the home) for patients with comorbidities and currently provide these services exclusively to privately insured patients throughout South Australia. Tele-mental health services are being trialled in some of the company's clinics.

Through its pharmacy network, Ramsay Health Care now can also see the pivotal role it can play in managing medications for mental health patients and is looking at research in this regard.

In PTSD, Ramsay Health Care has unparalleled reputation for delivery of PTSD programs for veterans.

Paul Ramsay Foundation

Following the death of Paul Ramsay in 2014, the Paul Ramsay Foundation was established with his bequest of over \$3 billion. The Paul Ramsay Foundation is Australia's largest charity and a 32% shareholder in Ramsay Health Care meaning that circa \$80 million is returned to the Foundation each year. The Foundation funds projects targeted at disadvantage and improving health outcomes and access to education in Australian communities, particularly regional and rural communities, with the aim of enabling lasting change. The Foundation has listed mental health as an area of strategic focus.